

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 7400**

**BILL NUMBER:** SB 479

**NOTE PREPARED:** Jan 12, 2015

**BILL AMENDED:**

**SUBJECT:** Evaluation of Solid Waste Management Districts.

**FIRST AUTHOR:** Sen. Brown L

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill requires the Environmental Rules Board to adopt rules establishing objective criteria for the evaluation of solid waste management districts and to set quantitative standards by which the numerical score of a district for each criterion may be determined to be "acceptable" or "unacceptable". It allows the board, by placing districts into separate categories for purposes of evaluation, to adjust for factors favoring or inhibiting success in promoting recycling, such as the population and population density of a district, the relative cost of disposing of solid waste in a district, and the distance from a district to establishments that purchase recycled materials. The bill also requires the board to set an overall quantitative standard and to give each district an overall assessment of "acceptable" or "unacceptable" based on the district's numerical scores for all objective criteria.

The bill provides that:

- (1) if a single-county solid waste management district receives one overall assessment of "unacceptable", the board of the district may propose to the county council that the district be dissolved;
- (2) if a single-county solid waste management district receives two consecutive overall assessments of "unacceptable", the county council may dissolve the district; and
- (3) if a joint solid waste management district receives one overall assessment of "unacceptable", the county council of any county that is a member of the joint district may elect to withdraw from the district.

It allows a county, after dissolving its single-county solid waste management district or withdrawing from a joint solid waste management district, to no longer be designated as a single-county solid waste management district or be a member of a joint solid waste management district.

**Effective Date:** July 1, 2015.

**Explanation of State Expenditures:** *Environmental Rules Board:* This bill requires the board to adopt rules that establish criteria to be used for the evaluation of solid waste management districts. The adoption of rules is within their routine administrative functions and should be able to be accomplished within the current levels of resources available, assuming near customary agency staffing and resource levels.

The bill also requires that the Environmental Rules Board evaluate the districts on an annual basis using the criteria they develop. After the conclusion of the evaluation process, the board is required to notify the boards of the solid waste management districts regarding the results. These provisions would result in additional workload and administrative expense for the board and the Indiana Department of Environmental Management.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** *Summary* - The bill provides that districts that receive evaluation assessments of “unacceptable” may be dissolved if ordinances are adopted. Dissolution of districts could result in the following:

- Counties could be responsible for their portion of contracts entered into by the district; repayment of loans entered into by the district; payment of bonds issued by the district; and any other legal obligation entered into by the district. There could be an increase in staff and legal fees associated with determining the county’s legal obligations.
- Removal or withdrawal from a district could also affect equipment and facilities available to all of the units involved. Units could incur additional expenses if the change in the make-up of the district requires units to move and/or dispose of equipment or facilities or if equipment and facilities are no longer available.

Any impact will depend upon the evaluations conducted by the Environmental Rules Board and decisions made by solid waste management district boards.

**Additional Information** - If single-county districts receive evaluation assessments of “unacceptable” and the decision is made to dissolve the district, an ordinance must provide for the county to join with one or more counties to form a new joint district, join an existing joint district, or specify that they will no longer be designated as a solid waste management district. If the district is dissolved, any assets and/or legal obligations of the district would be transferred to the county.

If joint districts receive evaluation assessments of “unacceptable,” counties within the district may elect to withdraw. They could become single-county districts, join with one or more other counties in forming a new joint district, join an existing joint district, or specify that they will no longer be designated as a solid waste management district. A county withdrawing from a joint district would be responsible for any share of legal obligations resulting from its former membership in the joint district.

As of September 2014, there were 7 joint districts and 64 single-county districts. Marion County is not required to operate a solid waste management district.

**Explanation of Local Revenues:** If this bill results in more counties withdrawing from joint districts, the

following impacts could occur. Depending on the funding sources of the districts, the impact could range from inconvenient to severe. Any impact will depend upon the evaluations conducted by the Environmental Rules Board and decisions made by solid waste management district boards.

One funding mechanism that could be affected pertains to the solid waste management fee of up to \$2.50 per ton for waste deposited in a final disposal facility located within the district. Fees remitted to the district may be used to pay costs associated with the development and implementation of the district plan. If a district collects the surcharge and if the county that has the landfill withdraws from the district, the remaining units could lose a funding mechanism.

Second, if the tax base of the withdrawing unit is significantly greater than the remaining units, the remaining units may experience a significant impact in their ability to provide services once the district is divided.

**State Agencies Affected:** Environmental Rules Board; Indiana Department of Environmental Management.

**Local Agencies Affected:** Solid waste management districts.

**Information Sources:**

**Fiscal Analyst:** Jessica Harmon, 317-232-9854.